

CalSTRS

Investment Committee
Monthly Status Report
For

FIXED INCOME

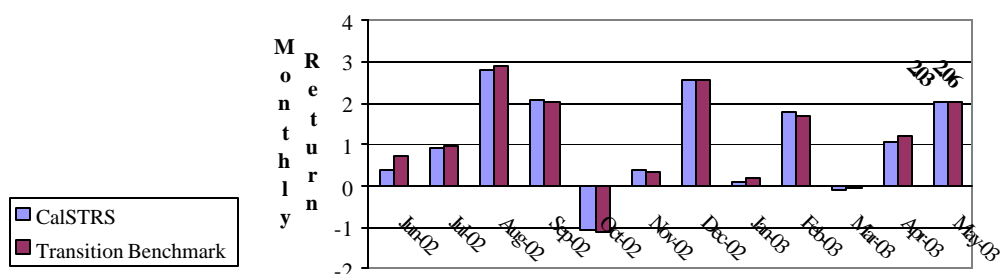


CalSTRS FIXED INCOME PORTFOLIO CHARACTERISTICS

Month Ending: 5/31/03

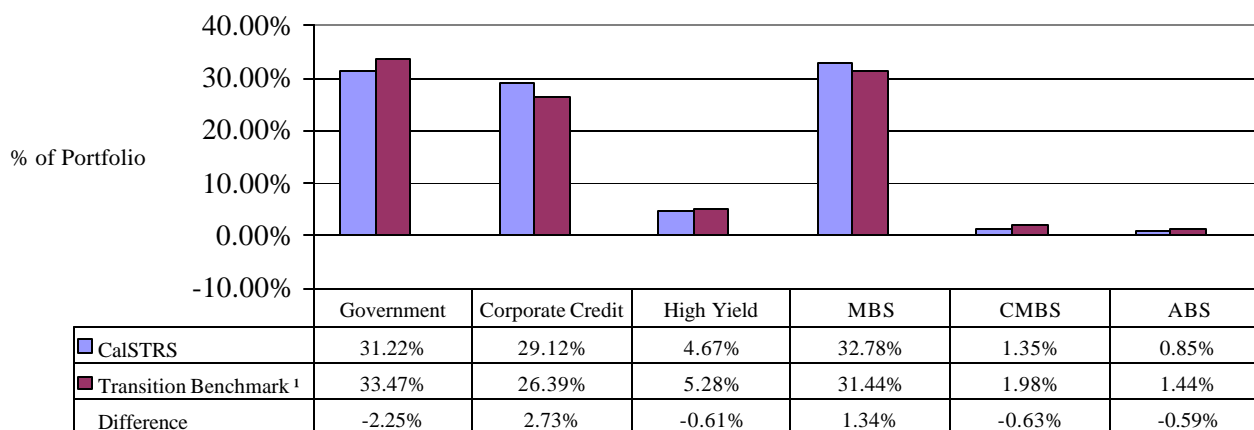
FIXED INCOME ASSETS \$27,042 (in millions)

CalSTRS U.S. Debt PERFORMANCE vs. BENCHMARK



✓ Semi-annual performance will be reported by the Board Consultant in September.

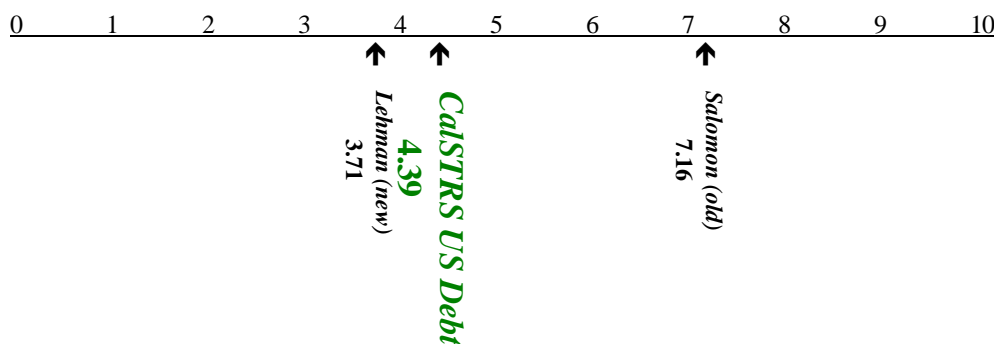
CalSTRS U.S. Debt SECTOR WEIGHTING vs. BENCHMARK



¹ BENCHMARK: 2/12ths Salomon LPF + 10/12ths Lehman US Agg + HY Cash Pay (ex-Tobacco)

✓ Slight overweight to spread product (Corp. and MBS) vs. Benchmark; anticipating moderate economic recovery.

CalSTRS U.S. Debt DURATION ² vs. BENCHMARK



² DURATION: a measure of the portfolio's sensitivity to interest rates relative to the Benchmark

✓ On target to transition from the Salomon benchmark to the new Lehman benchmark.